

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

C

**WS-01689A**  
**Clear Springs Utility Company, Inc.**  
**P.O. Box 85160**  
**Tucson, AZ 85754-0000**

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Water

AZ CORP COMM  
Director Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

|    |    |      |
|----|----|------|
| 12 | 31 | 2006 |
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FOR COMMISSION USE

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## COMPANY INFORMATION

|   |                             |                                    |
|---|-----------------------------|------------------------------------|
| <b>Company Name (Business Name)</b> Clear Springs Utility Company--Water Division |                             |                                    |
| <b>Mailing Address</b> 2102 N. Forbes, #107                                       |                             |                                    |
| Tucson  | AZ                          | 85745                              |
| (City)  | (State)                     | (Zip)                              |
| 520-624-4404  | 520-792-0377                |                                    |
| Telephone Number (Include Area Code)  | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |
| <b>Email Address</b>  |                             |                                    |
| <b>Local Office Mailing Address</b> Same as above                                 |                             |                                    |
| (Street)  |                             |                                    |
| (City)  | (State)                     | (Zip)                              |
| Local Office Telephone Number (Include Area Code)                                 | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |
| <b>Email Address</b>  |                             |                                    |

## MANAGEMENT INFORMATION

|  |                             |                                    |       |
|--|-----------------------------|------------------------------------|-------|
| <b>Management Contact:</b> Southwestern Utility Management, Inc. |                             |                                    |       |
| (Name)   |                             | (Title)                            |       |
| 2101 N. Forbes, #107   | Tucson                      | AZ                                 | 85745 |
| (Street)   | (City)                      | (State)                            | (Zip) |
| 520-624-4404   | 520-792-0377                |                                    |       |
| Telephone Number (Include Area Code)                             | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |       |
| <b>Email Address</b>   |                             |                                    |       |
| <b>On Site Manager:</b> Steve Siegfried                          |                             |                                    |       |
| (Name)   |                             |                                    |       |
| 2102 N. Forbes, #107   | Tucson                      | AZ                                 | 85745 |
| (Street)   | (City)                      | (State)                            | (Zip) |
| 520-624-4404   | 520-792-0377                |                                    |       |
| Telephone Number (Include Area Code)                             | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |       |
| <b>Email Address</b>   |                             |                                    |       |

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Pager/Cell No. (Include Area Code)

**UTILITY PLANT IN SERVICE**

| <b>Acct. No.</b> | <b>DESCRIPTION</b>                     | <b>Original Cost (OC)</b> | <b>Accumulated Depreciation (AD)</b> | <b>O.C.L.D (OC less AD)</b> |
|------------------|--|---------------------------|--------------------------------------|-----------------------------|
| 301              | Organization                           | 1625                      | ---                                  | 1625                        |
| 302              | Franchises                             |                           |                                      |                             |
| 303              | Land and Land Rights                   | 210                       | ---                                  | 210                         |
| 304              | Structures and Improvements            | 28565                     | 25491                                | 3074                        |
| 307              | Wells and Springs                      | 164434                    | 124395                               | 40039                       |
| 311              | Pumping Equipment                      | 139895                    | 117779                               | 22116                       |
| 320              | Water Treatment Equipment              |                           |                                      |                             |
| 330              | Distribution Reservoirs and Standpipes | 138185                    | 98407                                | 39778                       |
| 331              | Transmission and Distribution Mains    | 292830                    | 256961                               | 35869                       |
| 333              | Services                               | 107641                    | 57006                                | 50635                       |
| 334              | Meters and Meter Installations         | 72906                     | 59955                                | 12951                       |
| 335              | Hydrants                               | 9850                      | 9850                                 | ---                         |
| 336              | Backflow Prevention Devices            |                           |                                      |                             |
| 339              | Other Plant and Misc. Equipment        |                           |                                      |                             |
| 340              | Office Furniture and Equipment         | 3,274                     | 3274                                 | ---                         |
| 341              | Transportation Equipment               |                           |                                      |                             |
| 343              | Tools, Shop and Garage Equipment       | 6727                      | 6535                                 | 192                         |
| 344              | Laboratory Equipment                   |                           |                                      |                             |
| 345              | Power Operated Equipment               |                           |                                      |                             |
| 346              | Communication Equipment                |                           |                                      |                             |
| 347              | Miscellaneous Equipment                |                           |                                      |                             |
| 348              | Other Tangible Plant                   |                           |                                      |                             |
|                  | <b>TOTALS</b>                          | <b>966142</b>             | <b>759653</b>                        | <b>206489</b>               |

This amount goes on the Balance Sheet Acct. No. 108

See Accountants' Report.

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

| Acct. No. | DESCRIPTION                            | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|-----------|--|-------------------|-----------------------------|----------------------------|
| 301       | Organization                           | 1625              | ---                         | ---                        |
| 302       | Franchises                             |                   |                             |                            |
| 303       | Land and Land Rights                   | 210               | ---                         | ---                        |
| 304       | Structures and Improvements            | 28565             | 3.33%                       | 106                        |
| 307       | Wells and Springs                      | 164434            | 3.33%                       | 1379                       |
| 311       | Pumping Equipment                      | 139895            | 12.50%                      | 3159                       |
| 320       | Water Treatment Equipment              |                   |                             |                            |
| 330       | Distribution Reservoirs and Standpipes | 138185            | 2.22%                       | 903                        |
| 331       | Transmission and Distribution Mains    | 292830            | 2.00%                       | 732                        |
| 333       | Services                               | 107641            | 3.33%                       | 1744                       |
| 334       | Meters and Meter Installations         | 72906             | 8.33%                       | 1177                       |
| 335       | Hydrants                               | 9850              | 2.00%                       |                            |
| 336       | Backflow Prevention Devices            |                   |                             |                            |
| 339       | Other Plant and Misc. Equipment        |                   |                             |                            |
| 340       | Office Furniture and Equipment         | 3274              | 6.67%                       | ---                        |
| 341       | Transportation Equipment               |                   |                             |                            |
| 343       | Tools, Shop and Garage Equipment       | 6727              | 5.00%                       | 11                         |
| 344       | Laboratory Equipment                   |                   |                             |                            |
| 345       | Power Operated Equipment               |                   |                             |                            |
| 346       | Communication Equipment                |                   |                             |                            |
| 347       | Miscellaneous Equipment                |                   |                             |                            |
| 348       | Other Tangible Plant                   |                   |                             |                            |
|           | <b>TOTALS</b>                          | <b>966142</b>     |                             | <b>9211</b>                |

Less: Amortization of Contributions in Aid of Construction

( 658 )  
8553

Depreciation for 2006 is calculated on O.C.L.D.

This amount goes on Comparative statement of Income and Expense Acct. No. 403.

**BALANCE SHEET**

| <b>Acct.<br/>No.</b> | <b>ASSETS</b>                               | <b>BALANCE AT<br/>BEGINNING OF<br/>YEAR</b> | <b>BALANCE AT<br/>END OF<br/>YEAR</b> |
|----------------------|---|---|---------------------------------------|
|                      | <b>CURRENT AND ACCRUED ASSETS</b>           |   |                                       |
| 131                  | Cash  | \$ 15453                                    | \$ 78774                              |
| 134                  | Working Funds                               |   |                                       |
| 135                  | Temporary Cash Investments                  |   |                                       |
| 141                  | Customer Accounts Receivable                | 17245                                       | 11229                                 |
| 146                  | Notes/Receivables from Associated Companies | 6547  | 6547                                  |
| 151                  | Plant Material and Supplies                 |   |                                       |
| 162                  | Prepayments                                 |   |                                       |
| 174                  | Miscellaneous Current and Accrued Assets    |   |                                       |
|                      | <b>TOTAL CURRENT AND ACCRUED ASSETS</b>     | \$ 39245                                    | \$ 96550                              |
|                      | <b>FIXED ASSETS</b>                         |   |                                       |
| 101                  | Utility Plant in Service                    | \$ 914641                                   | \$ 966142                             |
| 103                  | Property Held for Future Use                |   |                                       |
| 105                  | Construction Work in Progress               |   |                                       |
| 108                  | Accumulated Depreciation – Utility Plant    | ( 755311 )                                  | ( 759653 )                            |
| 121                  | Non-Utility Property                        |   |                                       |
| 122                  | Accumulated Depreciation – Non Utility      |   |                                       |
|                      | <b>TOTAL FIXED ASSETS</b>                   | \$ 159330                                   | \$ 206489                             |
|                      | <b>TOTAL ASSETS</b>                         | \$ 198575                                   | \$ 303039                             |

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

| <b>Acct.<br/>No.</b> | <b>LIABILITIES</b>                                | <b>BALANCE AT<br/>BEGINNING OF<br/>YEAR</b> | <b>BALANCE AT<br/>END OF<br/>YEAR</b> |
|----------------------|---|---|---------------------------------------|
|                      | <b>CURRENT LIABILITIES</b>                        |   |                                       |
| 231                  | Accounts Payable                                  | \$ 13689                                    | \$ ---                                |
| 232                  | Notes Payable (Current Portion)                   |   |                                       |
| 234                  | Notes/Accounts Payable to Associated Companies    | 39496                                       | 21337                                 |
| 235                  | Customer Deposits                                 | 19253                                       | 65218                                 |
| 236                  | Accrued Taxes                                     | 726   | 780                                   |
| 237                  | Accrued Interest                                  |   |                                       |
| 241                  | Miscellaneous Current and Accrued Liabilities     |   |                                       |
|                      | <b>TOTAL CURRENT LIABILITIES</b>                  | \$ 73164                                    | \$ 87335                              |
|                      | <b>LONG-TERM DEBT (Over 12 Months)</b>            |   |                                       |
| 224                  | Long-Term Notes and Bonds                         | \$ 70033                                    | \$ 107676                             |
|                      | <b>DEFERRED CREDITS</b>                           |   |                                       |
| 251                  | Unamortized Premium on Debt                       | \$  | \$                                    |
| 252                  | Advances in Aid of Construction                   | 66884                                       | 69026                                 |
| 255                  | Accumulated Deferred Investment Tax Credits       |   |                                       |
| 271                  | Contributions in Aid of Construction              | 226579                                      | 239743                                |
| 272                  | Less: Amortization of Contributions               | ( 226579 )                                  | ( 227237 )                            |
| 281                  | Accumulated Deferred Income Tax                   |   |                                       |
|                      | <b>TOTAL DEFERRED CREDITS</b>                     | \$ 66884                                    | \$ 81532                              |
|                      | <b>TOTAL LIABILITIES</b>                          | \$ 210081                                   | \$ 276543                             |
|                      | <b>CAPITAL ACCOUNTS</b>                           |   |                                       |
| 201                  | Common Stock Issued                               | \$ 1000                                     | \$ 1,000                              |
| 211                  | Paid in Capital in Excess of Par Value            | 1839934                                     | 1839934                               |
| 215                  | Retained Earnings                                 | ( 1852440 )                                 | ( 1814438 )                           |
| 218                  | Proprietary Capital (Sole Props and Partnerships) |   |                                       |
|                      | <b>TOTAL CAPITAL</b>                              | \$ ( 11506 )                                | \$ 26496                              |
|                      | <b>TOTAL LIABILITIES AND CAPITAL</b>              | \$ 198575                                   | \$ 303039                             |

|   |                    |
|---|--------------------|
| Beginning Retained Earnings                 | ( 1852440 )        |
| Net Income for 2006                         | 33133              |
| ACC Adjustments to Accumulated Depreciation | 4869               |
| Ending Retained Earnings                    | ( <u>1814438</u> ) |

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

| <b>Acct.<br/>No.</b> | <b>OPERATING REVENUES</b>                 | <b>PRIOR YEAR</b> | <b>CURRENT YEAR</b> |
|----------------------|---|-------------------|---------------------|
| 461                  | Metered Water Revenue                     | \$ 152637         | \$ 191417           |
| 460                  | Unmetered Water Revenue                   |                   |                     |
| 474                  | Other Water Revenue                       | 2743              | 5100                |
|                      | <b>TOTAL REVENUES</b>                     | \$ 155380         | \$ 196517           |
|                      |   |                   |                     |
|                      | <b>OPERATING EXPENSES</b>                 |                   |                     |
| 601                  | Salaries and Wages                        | \$                | \$                  |
| 610                  | Purchased Water                           |                   |                     |
| 615                  | Purchased Power                           | 20439             | 31312               |
| 618                  | Chemicals                                 | 87                | 188                 |
| 620                  | Repairs and Maintenance                   | 4572              | 7432                |
| 621                  | Office Supplies and Expense               | 8869              | 5086                |
| 630                  | Outside Services                          | 79482             | 81665               |
| 635                  | Water Testing                             | 3209              | 2401                |
| 641                  | Rents                                     |                   |                     |
| 650                  | Transportation Expense                    | 7060              | 9143                |
| 657                  | Insurance – General Liability             | 4875              | ---                 |
| 659                  | Insurance – Health and Life               |                   |                     |
| 666                  | Regulatory Commission Expense – Rate Case | 5434              | 170                 |
| 675                  | Miscellaneous Expense                     | 350               | 275                 |
| 403                  | Depreciation Expense                      | 4869              | 8553                |
| 408                  | Taxes Other Than Income                   |                   |                     |
| 408.11               | Property Taxes                            | 10579             | 11521               |
| 409                  | Income Tax                                |                   |                     |
|                      | <b>TOTAL OPERATING EXPENSES</b>           | \$ 149825         | \$ 157746           |
|                      |   |                   |                     |
|                      | <b>OPERATING INCOME/(LOSS)</b>            | \$ 5555           | \$ 38771            |
|                      |   |                   |                     |
|                      | <b>OTHER INCOME/(EXPENSE)</b>             |                   |                     |
| 419                  | Interest and Dividend Income              | \$                | \$ 48               |
| 421                  | Non-Utility Income                        | 363               | 439                 |
| 426                  | Miscellaneous Non-Utility Income          |                   |                     |
| 427                  | Interest Expense                          | (5348 )           | (6125 )             |
|                      | <b>TOTAL OTHER INCOME/(EXPENSE)</b>       | \$ (4985 )        | \$ (5638 )          |
|                      |   |                   |                     |
|                      | <b>NET INCOME/(LOSS)</b>                  | \$ 570            | \$ 33133            |



**SUPPLEMENTAL FINANCIAL DATA**

Long-Term Debt

|                        | <b>LOAN #1</b>                          | <b>LOAN #2</b>                          | <b>LOAN #3</b> | <b>LOAN #4</b> |
|------------------------|---|---|----------------|----------------|
| Date Issued            | 6/01/01                                 | 5/23/06                                 |                |                |
| Source of Loan         | W.I.F.A.                                | W.I.F.A.                                |                |                |
| ACC Decision No.       | 62583                                   | 68443                                   |                |                |
| Reason for Loan        | Finance<br>Water System<br>Improvements | Finance<br>Water System<br>Improvements |                |                |
| Dollar Amount Issued   | \$ 80000.00                             | \$ 40640.00                             | \$             | \$             |
| Amount Outstanding     | \$ 67153.56                             | \$ 40522.11                             | \$             | \$             |
| Date of Maturity       | 6/01/21                                 | 5/1/26                                  |                |                |
| Interest Rate          | 6.75%                                   | 6.38%                                   | %              | %              |
| Current Year Interest  | \$4066.56                               | \$ 717.72                               | \$             | \$             |
| Current Year Principal | \$ 2879.44                              | \$ 117.89                               | \$             | \$             |

Meter Deposit Balance at Test Year End \$ 60492.00

Meter Deposits Refunded During the Test Year \$ 1835.50

**COMPANY NAME**

Name of System Clear Springs Utility ADEQ Public Water System Number (if applicable) 02-008

**WATER COMPANY PLANT DESCRIPTION****WELLS**

| ADWR ID<br>Number* | Pump<br>Horsepower | Pump Yield<br>(gpm) | Casing<br>Depth<br>(Feet) | Casing<br>Diameter<br>(Inches) | Meter Size<br>(inches) | Year<br>Drilled |
|--------------------|--------------------|---------------------|---------------------------|--------------------------------|------------------------|-----------------|
| 55-603877          | 30                 | 180                 | 800                       | 16                             | 4                      | 1964            |
| 55-604034          | Not in Service     |                     |                           |                                |                        |                 |
| 55-502128          | 120                | 300                 | 700                       | 16                             | 6                      | 1982            |
|                    |                    |                     |                           |                                |                        |                 |
|                    |                    |                     |                           |                                |                        |                 |
|                    |                    |                     |                           |                                |                        |                 |

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

| Name or Description | Capacity<br>(gpm) | Gallons Purchased or Obtained<br>(in thousands) |
|---------------------|-------------------|---|
|                     |                   |   |
|                     |                   |   |

| BOOSTER PUMPS |          | FIRE HYDRANTS     |                |
|---------------|----------|-------------------|----------------|
| Horsepower    | Quantity | Quantity Standard | Quantity Other |
| 20            | 2        | 73                |                |
|               |          |                   |                |
|               |          |                   |                |
|               |          |                   |                |

| STORAGE TANKS |          | PRESSURE TANKS |          |
|---------------|----------|----------------|----------|
| Capacity      | Quantity | Capacity       | Quantity |
| 100,000       | 1        | 3,000          | 1        |
|               |          | 5,000          | 2        |
|               |          |                |          |

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

See Accountants' Report.

|   |
|---|
| <b>COMPANY NAME</b>   |
| <b>Name of System</b> Clear Springs Utility <b>ADEQ Public Water System Number (if applicable)</b> 02-048 |

## WATER COMPANY PLANT DESCRIPTION

### WELLS

| ADWR ID<br>Number* | Pump<br>Horsepower | Pump Yield<br>(gpm) | Casing<br>Depth<br>(Feet) | Casing<br>Diameter<br>(Inches) | Meter Size<br>(inches) | Year<br>Drilled |
|--------------------|--------------------|---------------------|---------------------------|--------------------------------|------------------------|-----------------|
| 55-603879          | 5                  | 25                  | 442                       | 6                              |                        | 1966            |
|                    |                    |                     |                           |                                |                        |                 |
|                    |                    |                     |                           |                                |                        |                 |
|                    |                    |                     |                           |                                |                        |                 |
|                    |                    |                     |                           |                                |                        |                 |
|                    |                    |                     |                           |                                |                        |                 |

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

| Name or Description | Capacity<br>(gpm) | Gallons Purchased or Obtained<br>(in thousands) |
|---------------------|-------------------|---|
|                     |                   |   |
|                     |                   |   |

| BOOSTER PUMPS |          | FIRE HYDRANTS     |                |
|---------------|----------|-------------------|----------------|
| Horsepower    | Quantity | Quantity Standard | Quantity Other |
|               |          |                   |                |
|               |          |                   |                |
|               |          |                   |                |
|               |          |                   |                |

| STORAGE TANKS |          | PRESSURE TANKS |          |
|---------------|----------|----------------|----------|
| Capacity      | Quantity | Capacity       | Quantity |
|               |          | 85             | 1        |
|               |          |                |          |
|               |          |                |          |

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

|                       |  |
|-----------------------|--|
| <b>COMPANY NAME</b>   |  |
| <b>Name of System</b> | Clear Springs Utility ADEQ Public Water System Number (if applicable) 02-049 |

## WATER COMPANY PLANT DESCRIPTION

### WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|-----------------|-----------------|------------------|---------------------|--------------------------|---------------------|--------------|
| 55-588414       | 7.5             | 40               | 505                 | 8                        | 2                   | 2001         |
|                 |                 |                  |                     |                          |                     |              |
|                 |                 |                  |                     |                          |                     |              |
|                 |                 |                  |                     |                          |                     |              |
|                 |                 |                  |                     |                          |                     |              |
|                 |                 |                  |                     |                          |                     |              |

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|---------------------|----------------|--|
|                     |                |  |
|                     |                |  |

| BOOSTER PUMPS |          | FIRE HYDRANTS     |                |
|---------------|----------|-------------------|----------------|
| Horsepower    | Quantity | Quantity Standard | Quantity Other |
| 5             | 1        |                   |                |
|               |          |                   |                |
|               |          |                   |                |
|               |          |                   |                |

| STORAGE TANKS |          | PRESSURE TANKS |          |
|---------------|----------|----------------|----------|
| Capacity      | Quantity | Capacity       | Quantity |
| 12,500        | 1        | 1,200          | 1        |
|               |          |                |          |
|               |          |                |          |

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

|                     |  |
|---------------------|--|
| <b>COMPANY NAME</b> |  |
| Name of System      | Clear Springs Utility ADEQ Public Water System Number (if applicable) 02-050 |

## WATER COMPANY PLANT DESCRIPTION

### WELLS

| ADWR ID<br>Number* | Pump<br>Horsepower | Pump Yield<br>(gpm) | Casing<br>Depth<br>(Feet) | Casing<br>Diameter<br>(Inches) | Meter Size<br>(inches) | Year<br>Drilled |
|--------------------|--------------------|---------------------|---------------------------|--------------------------------|------------------------|-----------------|
| 55-603880          | 3                  | 18                  | 560                       | 6                              |                        | 1969            |
|                    |                    |                     |                           |                                |                        |                 |
|                    |                    |                     |                           |                                |                        |                 |
|                    |                    |                     |                           |                                |                        |                 |
|                    |                    |                     |                           |                                |                        |                 |
|                    |                    |                     |                           |                                |                        |                 |

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

| Name or Description | Capacity<br>(gpm) | Gallons Purchased or Obtained<br>(in thousands) |
|---------------------|-------------------|---|
|                     |                   |   |
|                     |                   |   |

| BOOSTER PUMPS |          | FIRE HYDRANTS     |                |
|---------------|----------|-------------------|----------------|
| Horsepower    | Quantity | Quantity Standard | Quantity Other |
| 3             | 1        |                   |                |
|               |          |                   |                |
|               |          |                   |                |
|               |          |                   |                |

| STORAGE TANKS |          | PRESSURE TANKS |          |
|---------------|----------|----------------|----------|
| Capacity      | Quantity | Capacity       | Quantity |
| 1,000         | 1        |                |          |
|               |          |                |          |
|               |          |                |          |

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

**COMPANY NAME**

**Name of System** Clear Springs Utility **ADEQ Public Water System Number (if applicable)** 02-051

## WATER COMPANY PLANT DESCRIPTION

### WELLS

| ADWR ID<br>Number* | Pump<br>Horsepower | Pump Yield<br>(gpm) | Casing<br>Depth<br>(Feet) | Casing<br>Diameter<br>(Inches) | Meter Size<br>(inches) | Year<br>Drilled |
|--------------------|--------------------|---------------------|---------------------------|--------------------------------|------------------------|-----------------|
| 55-603882          | 5                  | 25                  | 675                       | 8/6                            |                        | 1970            |
|                    |                    |                     |                           |                                |                        |                 |
|                    |                    |                     |                           |                                |                        |                 |
|                    |                    |                     |                           |                                |                        |                 |
|                    |                    |                     |                           |                                |                        |                 |
|                    |                    |                     |                           |                                |                        |                 |

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

| Name or Description | Capacity<br>(gpm) | Gallons Purchased or Obtained<br>(in thousands) |
|---------------------|-------------------|---|
|                     |                   |   |
|                     |                   |   |

| BOOSTER PUMPS |          | FIRE HYDRANTS     |                |
|---------------|----------|-------------------|----------------|
| Horsepower    | Quantity | Quantity Standard | Quantity Other |
| 5             | 1        |                   |                |
|               |          |                   |                |
|               |          |                   |                |
|               |          |                   |                |

| STORAGE TANKS |          | PRESSURE TANKS |          |
|---------------|----------|----------------|----------|
| Capacity      | Quantity | Capacity       | Quantity |
| 12,500        | 1        | 1,000          | 1        |
|               |          |                |          |
|               |          |                |          |

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

See Accountants' Report.

|                     |   |
|---------------------|---|
| <b>COMPANY NAME</b> |   |
| Name of System      | Clear Springs Utility ADEQ Public Water System Number (if applicable) |

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

| MAINS            |            |                  |
|------------------|------------|------------------|
| Size (in inches) | Material   | Length (in feet) |
| 2                | Galvanized | 200              |
| 3                | PVC        | 360              |
| 4                | PVC        | 3,050            |
| 5                |            |                  |
| 6                | PVC        | 3,040            |
| 8                | PVC        | 180              |
| 10               | AC         | 6,985            |
| 12               | AC         | 200              |
| 2                | PVC        | 1,036            |
| 3                | AC         | 10,698           |
| 4                | AC         | 10,520           |
| 6                | AC         | 34,195           |
| 8                | AC         | 5,650            |

| CUSTOMER METERS  |          |
|------------------|----------|
| Size (in inches) | Quantity |
| 5/8 X 3/4        | 548      |
| 3/4              | 5        |
| 1                | 18       |
| 1 1/2            | 8        |
| 2                | 3        |
| Comp. 3          | 2        |
| Turbo 3          |          |
| Comp. 4          |          |
| Turbo 4          |          |
| Comp. 6          |          |
| Turbo 6          |          |
|                  |          |
|                  |          |

For the following three items, list the utility owned assets in each category for each system.

**TREATMENT EQUIPMENT:**

None

**STRUCTURES:**

1313 Treasure Rd

**OTHER:**

6 Cylinder Natural Gas Pump Motor

2" Trash Pump

Compressor

Whacker Compressor

7 KW Generator

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

|   |
|---|
| <b>COMPANY NAME:</b>  |
| Name of System Clear Springs Utility ADEQ Public Water System Number (if applicable) 02-008 |

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006**

| MONTH/YEAR      | NUMBER OF CUSTOMERS | GALLONS SOLD<br>(Thousands) | GALLONS PUMPED<br>(Thousands) | GALLONS PURCHASED<br>(Thousands) |
|-----------------|---------------------|-----------------------------|-------------------------------|----------------------------------|
| JANUARY         | 543                 | 3,498                       | 4,596                         | 0                                |
| FEBRUARY        | 544                 | 4,523                       | 6,248                         | 0                                |
| MARCH           | 544                 | 2,359                       | 2,679                         | 0                                |
| APRIL           | 547                 | 4,107                       | 4,946                         | 0                                |
| MAY             | 549                 | 4,974                       | 5,830                         | 0                                |
| JUNE            | 549                 | 6,293                       | 7,360                         | 0                                |
| JULY            | 549                 | 4,383                       | 5,360                         | 0                                |
| AUGUST          | 549                 | 3,122                       | 3,600                         | 0                                |
| SEPTEMBER       | 549                 | 2,882                       | 3,136                         | 0                                |
| OCTOBER         | 549                 | 2,646                       | 3,139                         | 0                                |
| NOVEMBER        | 549                 | 2,616                       | 3,840                         | 0                                |
| DECEMBER        | 549                 | 2,561                       | 3,910                         | 0                                |
| <b>TOTALS →</b> |                     | 43,964                      | 54,644                        |                                  |

What is the level of arsenic for each well on your system?  $\leq 0.0030$  mg/l  
*(If more than one well, please list each separately.)*

If system has fire hydrants, what is the fire flow requirement? 250 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
☐ Yes                      ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
☐ Yes                      ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
☐ Yes                      ☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*



|                |                       |   |        |
|----------------|-----------------------|---|--------|
| Name of System | Clear Springs Utility | ADEQ Public Water System Number (if applicable) | 02-048 |
|----------------|-----------------------|---|--------|

## WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

| MONTH/YEAR | NUMBER OF CUSTOMERS | GALLONS SOLD<br>(Thousands) | GALLONS PUMPED<br>(Thousands) | GALLONS PURCHASED<br>(Thousands) |
|------------|---------------------|-----------------------------|-------------------------------|----------------------------------|
| JANUARY    | 4                   | 15                          | 15                            | 0                                |
| FEBRUARY   | 4                   | 6                           | 6                             | 0                                |
| MARCH      | 4                   | 32                          | 32                            | 0                                |
| APRIL      | 4                   | 31                          | 31                            | 0                                |
| MAY        | 4                   | 34                          | 34                            | 0                                |
| JUNE       | 4                   | 46                          | 46                            | 0                                |
| JULY       | 4                   | 28                          | 28                            | 0                                |
| AUGUST     | 4                   | 18                          | 18                            | 0                                |
| SEPTEMBER  | 4                   | 42                          | 42                            | 0                                |
| OCTOBER    | 4                   | 30                          | 30                            | 0                                |
| NOVEMBER   | 4                   | 25                          | 25                            | 0                                |
| DECEMBER   | 4                   | 26                          | 26                            | 0                                |
| TOTALS →   |                     | 333                         | 333                           | 0                                |

**What is the level of arsenic for each well on your system?** N/A **mg/l**  
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for      hrs

**If system has chlorination treatment, does this treatment system chlorinate continuously?**  
☐ Yes ☒ No

**Is the Water Utility located in an ADWR Active Management Area (AMA)?**  
☐ Yes ☒ No

**Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?**  
☐ Yes                      ☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

See Accountants' Report.

|                |  |
|----------------|--|
| COMPANY NAME:  |  |
| Name of System | Clear Springs Utility ADEQ Public Water System Number (if applicable) 02-049 |

|                |  |
|----------------|--|
| COMPANY NAME:  |  |
| Name of System | Clear Springs Utility ADEQ Public Water System Number (if applicable) 02-049 |

## WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

| MONTH/YEAR | NUMBER OF CUSTOMERS | GALLONS SOLD<br>(Thousands) | GALLONS PUMPED<br>(Thousands) | GALLONS PURCHASED<br>(Thousands) |
|------------|---------------------|-----------------------------|-------------------------------|----------------------------------|
| JANUARY    | 16                  | 111                         | 111                           | 0                                |
| FEBRUARY   | 16                  | 95                          | 95                            | 0                                |
| MARCH      | 16                  | 82                          | 96                            | 0                                |
| APRIL      | 16                  | 150                         | 150                           | 0                                |
| MAY        | 16                  | 198                         | 198                           | 0                                |
| JUNE       | 16                  | 251                         | 253                           | 0                                |
| JULY       | 17                  | 172                         | 172                           | 0                                |
| AUGUST     | 17                  | 110                         | 110                           | 0                                |
| SEPTEMBER  | 17                  | 96                          | 97                            | 0                                |
| OCTOBER    | 17                  | 125                         | 272                           | 0                                |
| NOVEMBER   | 17                  | 102                         | 102                           | 0                                |
| DECEMBER   | 17                  | 73                          | 81                            | 0                                |
| TOTALS →   |                     | 1,565                       | 1,737                         | 0                                |

**What is the level of arsenic for each well on your system?** <0.0030 mg/l  
(If more than one well, please list each separately.)

**If system has fire hydrants, what is the fire flow requirement? N/A GPM for      hrs**

**If system has chlorination treatment, does this treatment system chlorinate continuously?**  
☐ Yes ☒ No

**Is the Water Utility located in an ADWR Active Management Area (AMA)?**  
☐ Yes                      ☒ No

**Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?**  
☐ Yes                      ☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME:

Name of System Clear Springs Utility ADEQ Public Water System Number (if applicable) 02-050

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006**

| MONTH/YEAR | NUMBER OF CUSTOMERS | GALLONS SOLD<br>(Thousands) | GALLONS PUMPED<br>(Thousands) | GALLONS PURCHASED<br>(Thousands) |
|------------|---------------------|-----------------------------|-------------------------------|----------------------------------|
| JANUARY    | 6                   | 15                          | 15                            | 0                                |
| FEBRUARY   | 6                   | 5                           | 5                             | 0                                |
| MARCH      | 6                   | 19                          | 19                            | 0                                |
| APRIL      | 6                   | 12                          | 12                            | 0                                |
| MAY        | 6                   | 22                          | 22                            | 0                                |
| JUNE       | 6                   | 32                          | 32                            | 0                                |
| JULY       | 6                   | 16                          | 16                            | 0                                |
| AUGUST     | 6                   | 18                          | 18                            | 0                                |
| SEPTEMBER  | 6                   | 10                          | 10                            | 0                                |
| OCTOBER    | 6                   | 15                          | 15                            | 0                                |
| NOVEMBER   | 6                   | 8                           | 8                             | 0                                |
| DECEMBER   | 6                   | 7                           | 7                             | 0                                |
| TOTALS →   |                     | 179                         | 179                           | 0                                |

What is the level of arsenic for each well on your system? N/A mg/l  
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for      hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
( ) Yes (x) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
( ) Yes (x) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
( ) Yes (x) No

If yes, provide the GPCPD amount:                                     

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

|  |   |
|--|---|
| <b>COMPANY NAME:</b>                       |   |
| <b>Name of System</b> Clear Sprngs Utility | <b>ADEQ Public Water System Number (if applicable)</b> 02-051 |

### WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

| MONTH/YEAR      | NUMBER OF CUSTOMERS | GALLONS SOLD<br>(Thousands) | GALLONS PUMPED<br>(Thousands) | GALLONS PURCHASED<br>(Thousands) |
|-----------------|---------------------|-----------------------------|-------------------------------|----------------------------------|
| JANUARY         | 7                   | 92                          | 92                            | 0                                |
| FEBRUARY        | 8                   | 49                          | 49                            | 0                                |
| MARCH           | 8                   | 121                         | 121                           | 0                                |
| APRIL           | 8                   | 116                         | 116                           | 0                                |
| MAY             | 8                   | 103                         | 103                           | 0                                |
| JUNE            | 8                   | 119                         | 119                           | 0                                |
| JULY            | 8                   | 91                          | 91                            | 0                                |
| AUGUST          | 8                   | 71                          | 71                            | 0                                |
| SEPTEMBER       | 8                   | 47                          | 47                            | 0                                |
| OCTOBER         | 8                   | 39                          | 39                            | 0                                |
| NOVEMBER        | 8                   | 72                          | 72                            | 0                                |
| DECEMBER        | 8                   | 75                          | 75                            | 0                                |
| <b>TOTALS →</b> |                     | 995                         | 995                           | 0                                |

What is the level of arsenic for each well on your system?   N/A   mg/l  
*(If more than one well, please list each separately.)*

If system has fire hydrants, what is the fire flow requirement?   N/A   GPM for        hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
       ☐ Yes                      ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
       ☐ Yes                      ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
       ☐ Yes                      ☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME Clear Springs Utility Company--Water Division

YEAR ENDING 12/31/2006

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar year 2006 was \$ 11521.43

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property tax paid, explain why. \_\_\_\_\_

RECEIVED

MAR 27 2007

AZ CORP COMM  
Director Utilities

VERIFICATION  
AND  
SWORN STATEMENT  
Taxes

VERIFICATION

STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE

|   |                    |
|---|--------------------|
| (COUNTY OF (COUNTY NAME))<br><i>Pima Cochise AV</i>           |                    |
| NAME (OWNER OR OFFICIAL)<br>Alex Truchot                      | TITLE<br>President |
| COMPANY NAME<br>Clear Springs Utility Company--Water Division |                    |

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE  
ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING

| MONTH | DAY | YEAR |
|-------|-----|------|
| 12    | 31  | 2006 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

*Alex Truchot*  
SIGNATURE OF OWNER OR OFFICIAL

*45-609-6928*  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF  
THIS *22nd* DAY OF *march*.

|                                 |
|---------------------------------|
| COUNTY NAME<br><i>Snohomish</i> |
| MONTH <i>march</i> 20 <i>07</i> |

OLGA A. CASTRO  
NOTARY PUBLIC  
STATE OF WASHINGTON  
My Commission Expires 10-28-2009

MY COMMISSION EXPIRES *10/28/09*

*Olga A Castro*  
SIGNATURE OF NOTARY PUBLIC

**INCOME TAXES**

For this reporting period, please provide the following:

|  |                      |
|--|----------------------|
| Federal Taxable Income Reported              | <u>S Corporation</u> |
| Estimated or Actual Federal Tax Liability    | <u></u>              |
| State Taxable Income Reported                | <u>S Corporation</u> |
| Estimated or Actual State Tax Liability      | <u></u>              |
| Amount of Grossed-Up Contributions/Advances: |                      |
| Amount of Contributions/Advances             | <u></u>              |
| Amount of Gross-Up Tax Collected             | <u></u>              |
| Total Grossed-Up Contributions/Advances      | <u></u>              |

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
\_\_\_\_\_  
**SIGNATURE**

3-23-07  
\_\_\_\_\_  
**DATE**

Alex Truchot  
\_\_\_\_\_  
**PRINTED NAME**

President  
\_\_\_\_\_  
**TITLE**

RECEIVED

VERIFICATION

AND

SWORN STATEMENT

Intrastate Revenues Only

MAR 27 2007

AZ CORP COMM  
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)

~~Pima~~ Cochise ATS

NAME (OWNER OR OFFICIAL) TITLE

Alex Truchot, President

COMPANY NAME

Clear Springs Utility Company--Water Division

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH

DAY

YEAR

12

31

2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 208837

(THE AMOUNT IN THE BOX ABOVE  
INCLUDES \$ 12320.41

IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)

Alex Truchot  
SIGNATURE OF OWNER OR OFFICIAL

425-609-6928  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

23 day of March

DAY OF

OLGA A. CASTRO

(SEAL)

MY COMMISSION EXPIRES 10/28/07

See Accountant's Report.

STATE OF WASHINGTON

NOTARY PUBLIC

My Commission Expires 10-28-2009

COUNTY NAME

Snohomish

MONTH

March

2007

Olga A. Castro  
SIGNATURE OF NOTARY PUBLIC



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
Intrastate Revenues Only**

**RECEIVED**

MAR 27 2007

**VERIFICATION**

**STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE**

|  |                           |
|--|---------------------------|
| COUNTY OF (COUNTY NAME)<br><u>Pima Cochise AT</u>                    |                           |
| NAME (OWNER OR OFFICIAL)<br><u>Alex Truchot</u>                      | TITLE<br><u>President</u> |
| COMPANY NAME<br><u>Clear Springs Utility Company--Water Division</u> |                           |

AZ CORP COMM  
Director Utilities

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

|       |     |      |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12    | 31  | 2006 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01 ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:**

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 156711.00

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 9245.22  
IN SALES TAXES BILLED, OR COLLECTED)

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

  
SIGNATURE OF OWNER OR OFFICIAL

425-609-6928  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME  
A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS** 23rd of March **DAY OF**

**(SEAL) STATE OF WASHINGTON  
NOTARY --- PUBLIC**

**MY COMMISSION EXPIRES** 10/28/09

|  |                  |
|--|------------------|
| NOTARY PUBLIC NAME <u>Olga A. Castro</u> |                  |
| COUNTY NAME <u>Snohomish</u>             |                  |
| MONTH <u>March</u>                       | YEAR <u>2007</u> |

X   
SIGNATURE OF NOTARY PUBLIC

**2005 SECOND HALF PAYMENT COUPON****Due March 1, 2006**

CLEAR SPRINGS UTILITY CO

905 32 278 3 114993

Delinquency Date Second Half Payment

Penalty for late payment is 16% per year  
 prorated monthly as of the 1st day of the month  
 for payments postmarked after 5:00 P.M.  
 May 1, 2006 (ARS 42-18052 and ARS 42-  
 18053).

DETACH AND RETURN WITH PAYMENT

Payment in U.S. FUNDS ONLY

Make check payable to:  
 Marsha Bonham  
 Cochise County Treasurer

TO PAY 2ND HALF

PAY

5,125.04



029053227800300000512504



**Marsha Bonham**  
**Cochise County Treasurer**  
**PO Box 1778**  
**Bisbee, AZ 85603-2778**

2005 9053227800 2 00000102500800000512504

**2005 SECOND HALF PAYMENT COUPON****Due March 1, 2006**

CLEAR SPRINGS UTILITY CO

905 32 270 9 114992

Delinquency Date Second Half Payment

Penalty for late payment is 16% per year  
 prorated monthly as of the 1st day of the month  
 for payments postmarked after 5:00 P.M.  
 May 1, 2006 (ARS 42-18052 and ARS 42-  
 18053).

DETACH AND RETURN WITH PAYMENT

Payment in U.S. FUNDS ONLY

Make check payable to:  
 Marsha Bonham  
 Cochise County Treasurer

TO PAY 2ND HALF

PAY

493.76



029053227000900000049376



**Marsha Bonham**  
**Cochise County Treasurer**  
**PO Box 1778**  
**Bisbee, AZ 85603-2778**

2005 9053227000 2 00000009875200000049376

**CLEAR SPRINGS UTILITY CO. INC.**

PHONE 623-5172  
 P.O. BOX 85160  
 TUCSON, AZ 85754

WELLS FARGO BANK  
TUCSON, AZ 85745

91-527/1221

2112

3/29/2006

PAY TO THE  
ORDER OF

Marsha Bonham - Cochise Co. Treasurer

\$\*\*5,618.80

Five Thousand Six Hundred Eighteen and 80/100\*\*\*\*\*

DOLLARS

Marsha Bonham - Cochise Co. Treasurer

MEMO

AUTHORIZED SIGNATURE

⑈002112⑈ ⑆122105278⑆0719902845⑈

CLEAR SPRINGS UTILITY CO. INC.

Marsha Bonham - Cochise Co. Treasurer

2112

| Date       | Type | Reference     | Original Amt. | Balance Due  | Discount | Payment  |
|------------|------|---------------|---------------|--------------|----------|----------|
| 02/14/2006 | Bill | 2nd Half 2005 | 5,125.04      | 5,125.04     |          | 5,125.04 |
| 02/14/2006 | Bill | 2nd Half 2005 | 493.76        | 493.76       |          | 493.76   |
|            |      |               |               | Check Amount |          | 5,618.80 |

**2006 FIRST HALF PAYMENT COUPON**

**Due October 1, 2006**

**CLEAR SPRINGS UTILITY CO**

**905-32-278 3 0117555**

**Delinquency Date** First Half Payment

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after **5:00 P.M. November 1, 2006** (ARS 42-18052 and ARS 42-18053).

Any total property tax of \$100 or less must be paid **in full** using the first payment coupon, no later than **November 1, 2006 at 5:00 p.m.**

To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than **Dec. 31, 2006**. Delinquent interest will be waived.

DETACH AND RETURN WITH PAYMENT

MADE CHECK PAYABLE TO:  
**Marsha Bonham**  
**Cochise County Treasurer**  
**PO Box 1778**  
**Bisbee AZ 85603-2778**

Payment in U.S. FUNDS ONLY

1

|                      |     |           |
|----------------------|-----|-----------|
| TO PAY 1ST HALF ONLY | PAY | 5,399.31  |
| TO PAY FULL YEAR TAX | PAY | 10,798.62 |

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.



029053227800300000539931



**Marsha Bonham**  
**Cochise County Treasurer**  
**PO Box 1778**  
**Bisbee AZ 85603-2778**

2006 9053227803 1 00000107986200000539931

**2006 FIRST HALF PAYMENT COUPON**

**Due October 1, 2006**

**CLEAR SPRINGS UTILITY CO**

**905-32-270 9 0117554**

**Delinquency Date** First Half Payment

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after **5:00 P.M. November 1, 2006** (ARS 42-18052 and ARS 42-18053).

Any total property tax of \$100 or less must be paid **in full** using the first payment coupon, no later than **November 1, 2006 at 5:00 p.m.**

To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than **Dec. 31, 2006**. Delinquent interest will be waived.

DETACH AND RETURN WITH PAYMENT

Make check payable to:  
**Marsha Bonham**  
**Cochise County Treasurer**  
**PO Box 1778**  
**Bisbee AZ 85603-2778**

Payment in U.S. FUNDS ONLY

1

|                      |     |          |
|----------------------|-----|----------|
| TO PAY 1ST HALF ONLY | PAY | 503.32   |
| TO PAY FULL YEAR TAX | PAY | 1,006.64 |

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.



029053227000900000050332



**Marsha Bonham**  
**Cochise County Treasurer**  
**PO Box 1778**  
**Bisbee AZ 85603-2778**

2006 9053227009 1 00000010066400000050332

**CLEAR SPRINGS UTILITY CO., INC.**

WATER DIVISION  
P.O. BOX 85160  
TUCSON, AZ 85754  
520-623-5172

WELLS FARGO BANK, N.A.  
WWW.WELLSFARGO.COM  
91-527/1221

2252

10/11/2006

PAY TO THE ORDER OF **Marsha Bonham - Cochise Co. Treasurer**

\$ **\*\*5,902.63**

Five Thousand Nine Hundred Two and 63/100\*\*\*\*\*

DOLLARS

**Marsha Bonham - Cochise Co. Treasurer**

MEMO:

⑈002252⑈ ⑆122105278⑆5788196235⑈

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COMPILATION ENGAGEMENT REPORT

We have compiled the balance sheets of Clear Springs Utility Company--Water Division as of December 31, 2006 and 2005, and the related comparative statements of income and expense for years then ended, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission--Utilities Division information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and the supplementary information are presented in accordance with the requirements of the Arizona Corporation Commission--Utilities Division which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

*Holm, Hestand & Valenzuela CPAs P.C.*

March 10, 2007